

Small Business Impact Questionnaire

The following questions pertain to how the changes in the Nevada Administrative Code presented in the enclosure will affect your business. If it is determined that the proposed regulation is likely to impose a direct and significant economic burden upon a small business, or directly restrict the formation, operation or expansion of a small business, then the agency will take any or all of the following actions:

1. Insofar as practicable, consult with owners and officers of affected small businesses,
2. Consider methods to reduce the impact of the proposed regulation, and
3. Prepare a small business impact statement and make copies of the statement available to the public at the workshop conducted and the public hearing held pursuant to NRS 233B.061.

Please answer each of the questions that apply and add any qualifying remarks that may help us to understand your position. **Mail, fax or scan and email your completed form so it is received by the Division on or prior to 5:00 PM on December 3, 2013 to:**

Joseph Theile, Management Analyst II
Division of Public and Behavioral Health
Medical Marijuana Program
4150 Technology Way, 2nd Floor
Carson City, NV 89706
(775) 684-3487
(775) 684-5951 (fax)
jtheile@health.nv.gov

Your Name Todd Youren
Organization Today's Health Care, LLC
Date December 3, 2013

1. How many employees are currently employed by your business? Anticipate 60 employees.
2. Will a specific regulation have an adverse economic effect upon your business? If so, please indicate the estimated dollar amount(s) you believe the adopted regulations will cost you over one calendar year with a brief explanation as to how the dollar amount was calculated.

Yes X No Explain: Please list each regulation and explain the impact.

Section 36.3 – An annual “audited” set of financial reports could cost ten’s of thousands of dollars! A set of financial statements “**reviewed**” by an independent account should be sufficient.

Section 40. – requires all employees and volunteers be Nevada Residents. Periodically, especially during the initial startup, I anticipate contracting with an out of state organization with years of experience in the industry, to provide guidance. Based on the verbiage of this section they will not be allowed. We should allow a provision for out of state contractors to work in the facilities. Without having third party consultants to work with could cost hundreds of thousands of dollars in set up errors and/or lost revenue.

Section 41.6 – requires cross training of all staff for all elements of the business. In cultivation there are a variety of “Intellectual Property” (I.P.) elements at play. It is bad business to train multiple people in all aspects of this business and education them to all of the I.P.. Our employee’s will be head hunted by the competition to steal this I.P. knowledge!!! Costs of millions a year!!!

Section 52.3 - this could place a restriction on our compensation package for key employees. We anticipate offering a profit sharing program to incentives our staff which is very generous. This could be construed as “in excess of reasonable allowances.”

Section 55.3 – please allow 30 days for notification. If something happened to a key employee we will be focusing on replacing them to keep everything running smoothly. We could easily consume 15 to 20 days recovering. It would be nice if we didn’t have to stop in the middle to send the notification off to meet the 10 day deadline.

Section 57.5.a – 5 year historical storage is too long. 3 years is more reasonable. This could cost in the ten’s of thousands of dollars in storage fee. OR, ALLOW US TO SCAN AND ELECTRONICALLY STORE THE DATA. Don’t obligate us to maintain the original hard copies.

Section 62.1.d.1 – requiring work space to be “sanitized” leaves a lot to be defined. There should be tighter controls on the production of edibles than cultivation / packaging. Perhaps change the language to “cleaned” room for packaging in the cultivation facility.

Section 68.1 – how do we verify if a card is valid? There is no place to cross reference or look this information up. This should be stripped. The patient is taking the responsibility by signing the affidavit at the time of the purchase. We will make sure our staff is aware of allowable quantity for each state so we can restrict their purchase based on the state laws.

Section 76.1 – limits purchases to 2.5oz supply. Clarification is needed here. If I own a dispensary, I will be purchasing in larger quantities and be in violation of this section for purchasing 5lbs from a Cultivation Facility.

Section 79.1.i. – requires the recommended serving size and number of servings contained within the unit. This is flawed...no one can say what a servicing size and/or # of servings exist in a specific quantity of flowered marijuana. It varies from person to person.

Section 104.2 – requires gloves. Some functions in the cultivation process cannot be performed without problems while wearing gloves.

Section 111.2.b – requires “sterilization” of equipment. Some equipment used in the cultivation process can NOT be sterilized. We have automated trimmers used to trim leaves away from the bud’s during harvest. They weigh over 70lbs and are 4 ½’ long, 4’ heigh, and 3’ in width.

Section 115 – The cultivation facility shouldn’t be required to list an “expiration” date on the packages being sold to the dispensary. No one can determine what is an “expired” product when you are talking the raw flowers.

Section 132 – Limiting the amount of production will cause inflated prices to the patients! Both from standard demand/supply elements to inhibiting a successful cultivation facility, who can produce quality product at a cheaper price, from expanding their market share by lowering the price and taking advantage of improved volume efficiencies.

Section 137.2. – this may have an impact on a physician's desire to issue cards to patients. This will ultimately mean a higher cost to the patient because of limited doctors to seek for cards.

3. Will the regulation(s) have any beneficial effect upon your business? If so, please include any cost savings you believe the adopted regulations will save you over one calendar year with an estimated dollar amount if applicable.

Yes ☒ No ☐

Explain:

I am a firm believer in tight regulations will eliminate shady businesses! The key is avoiding regulations that put too much of a burden on the business. Or regulations that result in higher costs of quality products to the patients.

4. Do you anticipate any indirect adverse effects upon your business?

Yes ☐ No ☒

Explain:

5. Do you anticipate any indirect beneficial effects upon your business?

Yes ☐ No ☒

Explain:

I am available for additional comment or clarification on any of the items above. I can be reached at tyouren@gmail.com or by phone at 702-592-5567.